



## I. Open market and foreign exchange swap operations

In July, the Central Bank borrowed funds through security selling auctions with commitment of repurchase in three and six months. In the three-month operations settled over the month, the Central Bank sold LTN, NTN-B and NTN-F, in percentages of 54.9%, 27.2% and 17.9%, respectively. The financial volume of such long-term repurchase operations reached R\$26.7 billion and repurchases related to previous operations hit R\$39.7 billion, causing a monetary expansion of R\$13.0 billion. In the six-month operations settled over the month, the Central Bank sold NTN-F, LTN and NTN-B, in percentages of 44.6%, 31.6% and 23.8%, respectively. The financial volume of such long-term repurchase operations reached R\$20.0 billion and repurchases related to previous operations hit R\$7.3 billion, causing a monetary contraction of R\$12.7 billion. As a result, the balance of outstanding three-month repurchase operations, accrued by the contracted rates, went from R\$149.6 billion on 6/30 to R\$137.1 billion on 7/31. In the same period, the average term to mature of such operations came from 33 to 25 business days. With respect to the six-month repo operations, the balance accrued by the contracted rates went from R\$95.1 billion on 6/30 to R\$107.0 billion on 7/31. In the same period, the average term to mature of such operations varied from 74 to 67 business days.

In managing short-term liquidity, the Central Bank borrowed funds overnight in all business days of the month. The average financial volume of these borrowing operations reached R\$115.8 billion at a maximum rate of 13.65% p.y. until 7/29 and of 14.15% p.y. thereafter, when the target for the Selic rate was increased by 50 basis points. The Central Bank also held a borrowing intervention on 7/30 with term to mature of 25 business days and financial volume of R\$525.6 billion, at a maximum rate of 14.18% p.y.

Along the month, there were no standing facilities.

On every business day of the month, except on 7/9 and 7/31, the Central Bank offered contracts in traditional foreign exchange swap auctions. In these events were signed 96,915 contracts maturing on 7/1/2016 and 31,285 contracts maturing on 11/1/2016, totaling the equivalent of US\$6.4 billion. On the last day of the month, the foreign exchange swap net long position reached US\$108.2 billion.



## II. Secondary market transactions with federal securities registered in Selic

In July, the volume of outright operations among market institutions with Selic-registered federal public securities increased 2.8% as against the previous month, totaling R\$20.4 billion and 2,078 operations per day, on average.

Operations with fixed-rate securities (LTN and NTN-F) raised 2.1% as against the previous month totaling R\$11.9 billion, or 58.6% share of the total market. On the other hand, on the segment of inflation-linked securities (NTN-B and NTN-C), trading volume decreased 8.0% as against June and was responsible for an average daily trade volume of R\$5.1 billion, equivalent to a 24.9% share of the secondary market. On the floating rate (LFT) segment, the average daily trade volume increased 30.0% as against the previous month, totaling R\$3.4 billion, which was equivalent to a 16.6% share of the total market.

The most traded security in the secondary market, on the financial volume criteria, was the LTN due on 10/1/2015, with a daily average of R\$2.7 billion, corresponding to 13.2% of the whole secondary market. Next in rank, came the NTN-F maturing on 1/1/2021 and the NTN-B maturing on 5/15/2019, both with a daily average of R\$1.3 billion. The security with the highest number of trades in the secondary market was the LFT due on 9/7/2015, with an average of 277 trades per day.

The daily average financial volume of forward operations decreased 10.1%, reaching R\$8.9 billion in July. On the segment of fixed-rate securities, forward negotiation fell 8.2% as against the previous month, reaching R\$5.3 billion. Transactions with inflation-linked securities declined 13.3% as against the previous month, totaling R\$3.6 billion. The LTN due on 10/1/2015 was the most transacted security, with a financial volume of R\$1.0 billion and a share of 11.4% of total trade.

Repurchase operations, except those performed with the Central Bank, reached daily averages of R\$904.3 billion and 6,325 operations. Intraday repos recorded daily averages of R\$3.4 billion and 14 operations.

Overnight operations corresponded to 98.5% of total repurchase operations, recording daily averages of R\$890.6 billion and 6,234 operations. Repurchase operations maturing over one business day, allowing trade of collateral, recorded daily averages of R\$587.0 million and 17 operations. Regarding those not allowing transaction of collateral, daily averages were R\$9.8 billion and 60 transactions.

The daily average of outright brokerage operations increased 7.2% as against the previous month, to R\$7.9 billion. Their share of total outright operations changed from 37.1% to 38.7%. In July, the lowest traded volume was R\$3.7 billion, on 7/17, and the highest, R\$15.4 billion, on 7/31.



Considering only fixed-rate securities, the financial volume of outright brokerage operations increased from R\$4.7 billion in June to R\$5.0 billion in July. The number of operations came from 109 to 107 per day on average. Their share of this segment rose from 39.9% to 41.6%.

In the group of inflation-linked securities, the volume of outright operations with brokers was R\$1.7 billion, corresponding to 32.7% of the joint NTN-B and NTN-C market.

The LTN due on 10/1/2015, which recorded in July a daily average of R\$1.1 billion in brokerage transactions, or 40.7% of its total outright operations, was the most traded security by brokers.

The financial volume of repurchase operations with brokers reached a daily average of R\$5.2 billion.